

TRANSPORTATION PERFORMANCE AUDIT BOARD

Friday, February 11, 2005
1:30 p.m. - 3:30 p.m.
Senate Hearing Room 3
John A. Cherberg Building
Olympia, WA

- Minutes -

The meeting was called to order by Chair Doug Hurley at approximately 1:45 p.m. Members present were: Haugen, Hurley, Ostrowski, Swecker, Woods and Yates. Members absent were: Noguchi, Perteet and Pyles.

1. Report of the Chair

- a. Minutes - The minutes of the January 21, 2005 TPAB meeting were approved.
- b. Treasurer's Report - Diane Schwickerath, LTC staff, presented the Treasurer's Report. Chair Hurley requested that Ms. Schwickerath work with JLARC staff relative to the cost of the remaining studies and the contingencies and come back to the March meeting with the total bottom line budget.

Chair Hurley changed the order of the agenda and switched items 2 and 3.

2. Overview of issues related to Business Process Review of Accountability Oversight Mechanisms

Keenan Konopaski, JLARC, presented an overview of the various accountability and performance entities and initiatives in Washington State government, and identified the purpose and statutory authority of each.

Member comments:

- Chair Hurley asked what the functions are of agencies' internal auditors. Mr. Konopaski indicated that their role is to provide financial and internal control information to executive management within the department, and that this information is subject to public disclosure laws. Cindi Yates added that generally the agency internal auditors and the State Auditor's staff work together in order to not duplicate efforts.
- Chair Hurley asked about Federal audits. Mr. Konopaski indicated that for the agencies that receive a lot of federal money, there is a large audit function that takes place in collaboration with the departments.
- Members discussed both the Transportation Executive Information System (TEIS) and the Legislative Evaluation and Accountability Program (LEAP). Jerry Long, HTC staff, then provided a brief overview of the components of the TEIS system.

At Chair Hurley's request, Mr. Konopaski provided members with a comprehensive list of items that are relevant to TPAB from the Key Provisions in State Budgeting, Accounting and Reporting System Act (from RCW 43.88, as of 1/20/05).

Mr. Konopaski then provided a summary and status of proposed legislation related to TPAB, performance auditing, and performance measures.

3. Proposed Six-Year Work Plan and Budget

The board members were provided with a proposed six-year plan. Chair Hurley explained that, while the board is not required to create a six-year plan, a two-year plan can not accurately reflect reviews of all transportation agencies, and that this

approach was agreed to at the last meeting. He worked with Cindi Yates and her staff and Nate Naismith in creating the proposed work plan.

Chair Hurley stated that planning concerns shared at previous meetings by John Ostrowski and Tom Noguchi would first be addressed by a construction management presentation in the spring by WSDOT. He also acknowledged concerns shared by Representative Woods regarding the Hood Canal Bridge Graving Dock issue. Chair Hurley then addressed several concerns shared at previous meetings by Troy Pyles and indicated that most of these concerns have been incorporated into the proposed six-year work plan. Those that are not incorporated in the work plan will be addressed during the spring construction management presentation. Relative to Mr. Pyles' concern regarding drivers driving without insurance, information requests will be submitted to both WSP and DOL. Chair Hurley then stated that, after discussion with staff, it was decided that the six-year plan should be based on the previously allotted \$1.6 million.

Nate Naismith, LTC staff, presented an overview of the proposed six-year work plan, and indicated that it provides for a comprehensive preliminary audit review of all components of all key transportation agencies during a six-year cycle. It also provides contingent budgets for detailed audits on specific subjects that preliminary reviews suggest need further and more detailed examination. The work plan also includes reviews of the smaller transportation agencies (TIB, FMSIB, CRAB, etc.), as well as for follow-ups and check-back assessments for work that is already in motion, or has been requested in TPAB's reviews to date.

In regard to the Environmental Permitting for Transportation project, Senator Swecker requested that Cindi Yates briefly review how the study objectives correspond with the intent of Section 11 of the TPAB legislation. Ms. Yates briefly discussed each of the five study objectives of the project.

Senator Haugen expressed her satisfaction with the proposed six-year work plan, indicating that the timelines proposed are realistic. She then moved that the work plan be adopted, Senator Swecker seconded.

Chair Hurley returned to the Hood Canal Bridge Graving Dock issue, indicating that in July '05 the board needs to decide whether or not to scope that work into the "Recurring DOT Capital Results Assessment." He also indicated that this issue will be addressed in WSDOT's construction management presentation at an upcoming meeting.

Representative Woods agreed to hear WSDOT's presentation at a TPAB meeting in order to ask questions and get answers to find out what went wrong in the process in an effort to avoid problems in the future. She stated that TPAB has a responsibility to look at projects and asked that the board keep an open mind to reviewing this project.

The motion passed to recommend and transmit the work plan to the LTC, as well as to the Chairs of both the Senate and House Transportation Committees.

4. Summarization of Decisions/Next Actions

The next meeting will be held on March 4, 2005 in Senate Hearing Room 3 of the John A. Cherberg Building in Olympia.

The meeting was adjourned at 3:15 p.m.